

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7553**

**BILL NUMBER:** HB 1571

**NOTE PREPARED:** Feb 26, 2003

**BILL AMENDED:** Feb 26, 2003

**SUBJECT:** Seed Contracts.

**FIRST AUTHOR:** Rep. Grubb

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill provides that a contract for the delivery of seed in Indiana or seed intended to be grown in Indiana is considered to contain certain provisions relating to:

- (1) the law under which the contract is interpreted; and
- (2) litigation concerning the contract or property rights in the seed.

The bill provides a farmer a cause of action against a seed supplier that attempts to enforce certain rights purportedly arising under a seed contract that violates the statute. It also amends the statute covering inspections under seed contracts to change certain definitions and inspection and notice provisions. The bill repeals a section of the statute relating to choice of law contract provisions.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Court Fee Revenue:* The bill allows farmers to bring a cause of action against a seed supplier if a seed supplier attempts to enforce contract or property rights in seed provisions prohibited by the bill. This bill could also have a minimal impact on the number of civil cases filed in Indiana courts in so far as it would not allow a seed contract to contain a provision stating the jurisdiction and venue of any court that would not otherwise have jurisdiction over the contract. (A number of seed contracts currently require parties to agree to the exclusive jurisdiction of courts in other states.) If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed. 70% of the filing fee would be deposited in the state

General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

**State Agencies Affected:** Office of the Commissioner of Agriculture.

**Local Agencies Affected:** Trial courts, city and town courts.

**Information Sources:**

**Fiscal Analyst:** John Parkey, 317-232-9854